

**Remarks by U.S. Ambassador Paul Cellucci to
L'Institut des Hautes Etudes à Laval
Québec**

**“U.S.-Canada Relations: Looking Forward”
Wednesday, February 9, 2005**

Merçi beaucoup, Louis (Louis Bélanger, head of the Institut des Hautes Etudes à Laval). Louis and I were together in New York last week at a conference on U.S.-Canadian relations. It's a special pleasure to join him again on that topic this afternoon.

And it's always a special pleasure to be in this beautiful city of Québec – even at this very cold time of year. During this past year I have had the great opportunity to celebrate quite a bit of the history and culture that is so important to Canada, to French-speaking Canada, and to our shared North American heritage. I was at St. Croix Island last June to celebrate the founding of the first French settlement in North America. Unfortunately, it was kind of a cool rainy day out there on the island. But it was a great place to be and to taste a little bit of what those first settlers encountered.

In the autumn I was here in Québec City with Premier Charest. He had a forum for the business leaders of Québec on strengthening Quebec-U.S. economic ties; it was a very productive session. In the autumn I also was in Stanstead, Québec, where I helped inaugurate the Quebec-New England Cross Border Institute. Of course I make frequent visits to Montréal to meet with business and community leaders, as well as the academic community. And we all look forward, four years from now, to the 400th anniversary of the founding of Québec City, a very significant event in the history of North America.

So clearly, there is a lot that our two countries share in common. That is one of the themes I'd like to highlight this afternoon as we look at U.S.-Canada relations. I'd also like to examine the international context of that relationship. There are two underlying themes of our bilateral relationship and its international context: our interdependence with one another; and the values and goals that we share.

Despite the differences we have sometimes had over means, we have always shared the same goals. And we have shared the same underlying values. The United States and Canada have worked together to meet the challenges of our new century. And I am confident that we will continue to cooperate with each other, and with our many other allies and friends, so that all countries of the world will come to enjoy the freedom and prosperity that we enjoy.

After the U.S. elections in November, when Prime Minister Martin invited President Bush to visit Canada, President Bush accepted enthusiastically. I think it is important to note that this was President Bush's first bilateral trip abroad since the U.S. elections. President Bush's visit to Ottawa and Halifax demonstrated the importance and respect with which the Bush Administration and the American people view Canada.

The President and the Prime Minister reaffirmed in their public and private meetings the close ties that connect our two countries. They stressed that, whatever our differences, the U.S. and Canada share common goals and aspirations, threats and challenges. The visit also gave Canada and the United States the opportunity to renew our mutual commitment to deepening our cooperation in North America and in the world. Prime Minister Martin and President Bush announced on November 30th that this “New Partnership” will set an agenda to increase the security, prosperity, and the quality of life of our citizens.

And we are already working together toward that end.

Since September 11, 2001, we have worked together to build a "Zone of Confidence" in North America. American law enforcement and intelligence agencies are working more closely than ever with their Canadian counterparts to share information and to screen travelers to North America. We are cooperating overseas before visitors board commercial flights to North America. We are working together on a Port Security Initiative that will screen the millions of shipping containers that enter North America every year.

Last December, then-Homeland Security Secretary Ridge and Deputy Prime Minister McLellan met to review our progress on the Smart Border Action Plan for enhancing security along our common border. The 32-point plan is aimed at strengthening bilateral cooperation to enhance security while also facilitating legitimate travel and commerce between the United States and Canada. The accomplishments Ridge cited included the opening of seven new free and secure trade (FAST) sites along the U.S.-Canada border, the Safe Third Country Agreement, and the expansion of U.S. pre-clearance facilities to Halifax.

Our close cooperation on border security will help us meet the challenges ahead - including work on biometrics and prescreening standards, information and intelligence sharing, maritime and cargo security, and joint facilities and infrastructure investments.

Our defense cooperation is deep and substantial. U.S. and Canadian military personnel work together as a single unit at NORAD to monitor the air approaches to North America and to protect us from attack. We have amended the NORAD agreement to extend NORAD's existing aerospace warning function to provide integrated tactical warning and attack assessment. And as the U.S. proceeds with its program of ballistic missile defense, we hope that the Canadian government will decide to join us.

Our cooperation on the security front is matched by our economic cooperation. With all of the media focus on the disputed areas in our trade relationship, it is easy to forget that those trade disputes are exceptions in a huge and multi-faceted trade relationship. And it is easy to forget that this is, by far, the largest bilateral trade relationship that the world has ever known. I don't want to diminish the importance of issues like BSE and softwood lumber on those who are affected. But it is nothing short of amazing that this trade relationship thrives with so few major difficulties.

Our trading relationship stretches across a 5,500-mile border touching on 15 U.S. states that contain 33 percent of the U.S. population. Ninety percent of Canadians live within 100 miles of the U.S. border. Economically, we benefit from the largest bilateral relationship in the world. In 2003 we exchanged roughly USD 500 billion in goods, services, and investment income, or well over one billion dollars U.S. each day. For 39 states, Canada is the number one foreign trade partner.

Canada absorbs 23 percent of American merchandise exports; and Canada sends 86 percent of its exports in goods to the United States. U.S. direct foreign investment in Canada is over \$150 billion and Canadian direct foreign investment in the United States is over \$130 billion. Canada is the largest supplier of energy to the U.S. and its vast oil sands and gas reserves could help guarantee North American energy security for decades.

So I think it is no exaggeration to say that, when you consider the impact of this relationship on the day-to-day lives of Americans, that this is the most important relationship that the United States has with any country in the world. The largest part of our relationship thrives without reference to either federal government. But I want to emphasize that both Prime Minister Martin and President Bush deeply appreciate and understand the importance of this relationship. And both of them are anxious to work together to find solutions to our common challenges.

One of the biggest headlines in the news on trade over the last eighteen months has been BSE. Interestingly, the public focus on the *trade* issues of BSE has demonstrated how carefully and thoroughly American and Canadian authorities have worked together to manage the more important public health aspects of this crisis. The professional manner in which Albertan, Canadian and American authorities tackled the issue demonstrates the real benefits of American-Canadian cooperation. They worked to coordinate scientific approaches to the problem. The steps they took were so effective that only four months after the discovery of the first infected cow, trade in boxed beef resumed across the border.

Since the discovery of two new cases of BSE in Canada, the U.S. Department of Agriculture has dispatched a technical team of experts that is at work right now with Canadian experts to help determine the facts with regard to these two animals. We have been receiving regular updates from the team. We expect a final report on feed ban issues in mid-February and the epidemiological report by the end of March. These reports will be crucial as we consider whether any adjustments to current policies are warranted.

We know that the border closure to trade in live cattle has been extremely difficult for Canadian cattle and dairy farmers, and for the meat packing industry on both sides of the border. But in the long run, taking all the careful steps we have taken will pay off in continued public trust in our food supply.

On the broader economic front, our countries share bright prospects for promoting prosperity at home and in the world. We can make progress by working together to advance our global free trade agenda in NAFTA, the Free Trade Area of the Americas and the Doha Round of the WTO. The U.S., Canada and Mexico have now completed more than a decade under the North American Free Trade Agreement. NAFTA's success is unquestionable. All three of our countries have prospered under NAFTA. Trade has doubled in general and we have achieved significant increases in trade in intermediate goods, which means that many more of our industries have integrated across borders. That trade supports millions of jobs in all three of our countries. We are now exploring ways in which we can further streamline trade between our countries. We need to find ways to simplify the rules of origin that will allow companies to trade more freely in products with components from several countries. And we need to find ways to streamline our health and safety regulations. Representatives of our countries have discussed this need over the past year. And I believe that we are beginning to reach a consensus on ways to begin this hard work in the near future.

As we work together to ensure the prosperity of our continent, we are also working to protect its natural environment. In December, at a meeting in Buenos Aires of the Tenth Session of the Conference of the Parties to the UN Framework Convention on Climate Change, our countries recommitted themselves to addressing the issue of reducing greenhouse gas emissions.

We know that we must begin to address those activities that contribute to climate change. But the U.S. view continues to be that, to be effective, those efforts must be based on sound science. And we continue to believe that, if our efforts to reduce climate changing emissions are going to be sustainable, those efforts cannot undermine economic activity.

The United States supports the development of an integrated approach to partnerships among governments, the private sector, non-governmental organizations and other stakeholders that promote economic growth, improve energy efficiency, enhance energy security, and increase availability of cleaner, more efficient energy sources. To achieve these goals, we have launched five multilateral partnerships:

- the Methane to Markets Partnership;
- the International Partnership for a Hydrogen Economy;
- the Carbon Sequestration Leadership Forum;
- the Generation IV International Forum; and,
- the Global Earth Observation System.

In addition, the United States has established bilateral climate partnerships with 14 countries and regional organizations that together with the United States account for over 70% of global greenhouse gas emissions. Canada is an important partner in these efforts.

Despite our differences about the Kyoto agreement, we in the U.S. remain committed to the central goal of the U.N. framework – to stabilize greenhouse gas concentrations. Nearly three years ago, the president announced the policy for the United States in which we will slow, stop and ultimately reverse the greenhouse gas emissions based on sound science. We are committed to cut our greenhouse gas intensity – that is, emissions per unit of economic activity – by 18 per cent in ten years. That is the equivalent of taking 70 million motor vehicles off the road.

We believe that this is achievable because it is a common sense idea. Economic growth is part of environmental progress. It provides the resources for research and for environmental investment. We are spending \$5.8 billion per year in the United States on this issue, because we want to get the science right. Just to put that into perspective, not only is that more than any other country in the world; that is more money being spent than by Europe, Japan and Canada combined.

The war in Iraq has been at the center of the international agenda for the last two years; and it is still at the center of the international stage. The stunning and courageous election turnout by Iraqis may mark the beginning of a turning point in Iraq. The challenges there are still enormous. But it was an historic achievement. It was an achievement first and foremost for the Iraqi people. But the Iraqis have had many friends at their side. The European Union, Canada and the United Nations gave important assistance in the election process. All of our international partners have welcomed these elections.

As Secretary Rice said, these elections mark the start of a new day. These elections are only the beginning of a long, difficult road ahead for Iraq. But I believe we will see movement towards a stable, democratic government in Iraq. And the people of Iraq deserve that opportunity.

Last month also saw Palestinians elect a new leader in a free election. The election of Mahmoud Abbas as President of the Palestinian Authority has given us a new opportunity to seek peace in the Middle East. As Secretary Rice said during her confirmation hearings, we are ready to work with Palestinians, Israelis, and our international partners to help build a viable, independent and democratic state for the Palestinian people. And we will continue to work for a secure state of Israel that is at peace with its neighbors.

We are determined to do all that we can to take advantage of this moment of opportunity in the weeks and months ahead. President Bush has pledged \$350 million to support that process. Secretary of State Rice has renewed direct American involvement in the Middle East and announced the appointment of a senior security coordinator to help train and equip Palestinian forces and monitor Israeli and Palestinian promises to suspend military actions against each other. Most importantly, we saw Prime Minister Sharon and President Abbas in Sharm el Sheikh yesterday announcing their intent achieve a lasting cease-fire that can begin to get us back on the roadmap toward a secure peace. This is the most promising moment of progress between Palestinians and Israelis in many years.

Last year we also saw free elections in Afghanistan. Canada and the U.S. have worked hard together and with our friends and allies in Afghanistan to create a climate in which all Afghanis, including women, could elect the leaders of their choice. That was a major accomplishment after decades of domination by the former Soviet Union and then by the Taliban.

Much remains to be done in Afghanistan to enable its citizens to safeguard their security and economic prosperity. But no one can doubt that prospects are far better today than they were four years ago. And Canada and the United States are united in our desire to help countries with unstable governments and failing economies make the transition to democracy and open markets that can put them on the path towards stability and prosperity.

On December 26, one of the farthest-reaching natural disasters in memory claimed the lives of more nearly 200,000 people in South and Southeast Asia. The earthquake and tsunami there startled the world. Both the United States and Canada responded to this overwhelming human

tragedy and humanitarian crisis, using our military capabilities, humanitarian assistance, and the resources our citizens mustered in a time of unprecedented need. And we will continue to work through the United Nations, affected countries, and with committed NGOs to alleviate the suffering in the affected areas and help those citizens overcome despair and resume their lives.

These are the most recent examples where we have cooperated together internationally, based on the basic values that we share. There have been many other examples. Canada has played a major role in peace-keeping missions in the Balkans and more recently in Haiti. Canada is helping lead the diplomatic effort to end the violence that afflicts western Sudan.

I think nothing symbolizes the shared values of Canadians and Americans than our commitment to freedom and to democratic government. Both our countries held national elections last year. Canadians, like Americans, cherish the values of individual liberty and the freedom to choose one's own government. We know that protecting those freedoms requires a society that is built on the rule of law and the protection of minorities. And we know, as President Bush said in his inaugural speech, that our rights are secured by free dissent and the participation of the governed.

Americans, like Canadians, know that democracy is not a perfect form of government; that democracy is constantly evolving and that it is always a work in progress. We know that there are many paths to democracy and that there is no single "best" form of democracy. And we know that these values are not just "American" or "Canadian" or "western." We know that we share those values with all humankind. Those values are the firm bedrock of U.S.-Canada relations.

Let me close on a personal note. On September 14, 2001, I participated in a commemorative ceremony on Parliament Hill in Ottawa following the terrorist attacks in New York and Washington. As I left the Center Block of Parliament with Prime Minister Chrétien, with Governor General Clarkson and with our spouses, we were met by thousands of Canadians, waving Canadian and American flags, singing the Canadian and American national anthems.

It was an outpouring not just of sympathy and good will. Canadians felt that the weight of those attacks as personally and as fully as if they had occurred in Canada. It was a very moving and emotional experience. It is the single event that I remember most vividly from my nearly four years as the U.S. Ambassador to Canada. And it is the most powerful image I hold of the deep and enduring ties that bind our two countries.

It is an image I will always carry with me and that I remember every day. Which is just my way of saying "Je me souviens."

Thank you very much. I'll be happy to take your questions.